

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

MERRILL LYNCH BUSINESS FINANCIAL
SERVICES INC.,

Plaintiff,

-against-

ARTHUR KUPPERMAN; E. ROSS BROWNE;
PAULETTE KRELMAN; PGB
INTERNATIONAL, LLC; and J.P. MORGAN
CHASE BANK, NATIONAL ASSOCIATION,

Defendants.

Case No. 06-Civ-4802 (DMC)

**DECLARATION OF
DANIEL SPENCER**

I, DANIEL SPENCER, declare pursuant to 28 U.S.C. § 1746 under penalty of perjury that the following is true and correct:

1. The facts stated herein are based upon my personal knowledge.
2. I was the Regional Underwriting Manager at Merrill Lynch Business Financial Services, Inc. in July, August and September 2006 ("MLBFS").
3. In or about July 2006, I was involved in the review of the request of Arthur Kupperman ("Kupperman") for an increase in the line of credit with PITTRA G.B. International, Inc ("PITTRA").
4. In or about July 2006, Kupperman applied for a renewal and increase of the Working Capital Management Account line of credit that MLBFS had extended to PITTRA.

5. MLBFS learned of PITTRA's February 2006 bankruptcy filing in connection with its review of the July 2006 renewal and increase request.

6. MLBFS immediately confronted Kupperman about the bankruptcy filing. At that time and throughout the month of August, Kupperman repeatedly represented to MLBFS that PITTRA was still operating and that the bankruptcy filing had been a mistake which was being corrected. In an e-mail dated August 14, 2006, and attached hereto as Exhibit A, Kupperman represented to MLBFS that it would be "paid off in full" within the month.

7. On or around September 8, 2006, Kupperman provided to MLBFS by e-mail, attached hereto as Exhibit B, a letter and payoff statement purporting to be from a company named Escrow and Closing Services Ltd. with an attached schedule of proceeds indicating that \$10,000,000.00 was being held at Wachovia Bank, and that disbursements would be made on September 11, 2006.

8. MLBFS received no disbursements on September 11, 2006 or at any time thereafter.

Pursuant to 28 U.S.C. 1746, I hereby declare under penalty of perjury that the foregoing is true and correct.



Daniel Spencer

Executed on September 29, 2009